

IN THE THIRD CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE, ex rel. ROBERT
E. COOPER, JR., Attorney General &
Reporter,

Plaintiff,

v.

EXPYFI, LLC, a Georgia limited liability
company, doing business as www.expyfi.com,
CREDITMAX FINANCIAL, LLC, a Georgia
limited liability company, CREDIT PHD., INC.,
a Georgia nonprofit corporation, and
ANTHONY "TONY" IRVING THOMAS aka
ANTHONY J. THOMPSON, individually
and doing business as EXPYFI, LLC,
CREDITMAX FINANCIAL, LLC, CREDIT
PHD., INC., and www.expyfi.com,

Defendants.

No. 07C3365

Judge Barbara N. Haynes

STATE OF TENNESSEE'S MOTION FOR DEFAULT JUDGMENT
AGAINST ALL DEFENDANTS AND INCORPORATED MEMORANDUM OF LAW

Plaintiff, State of Tennessee ("State"), by and through the Attorney General and Reporter, Robert E. Cooper, Jr. ("Attorney General") on behalf of the Division of Consumer Affairs of the Department of Commerce and Insurance ("Division"), hereby submits this Motion for Judgment by Default Against All Defendants and Incorporated Memorandum of Law and requests that judgment by default be entered on its behalf as to all issues alleged in the State's Complaint jointly and severally against all Defendants on the grounds that all Defendants have failed to

answer or otherwise respond to the State's Complaint. This Motion is filed pursuant to Rule 55 of the Tennessee Rules of Civil Procedure.

The hearing on this Motion shall take place on **Friday, May 9, 2008 at 9:00 a.m. CDT** at the Davidson County Courthouse, 1 Public Square, Nashville, Tennessee, in the Third Circuit Court of the Twentieth Judicial District.

Brief Statement of Facts

The State submits as follows:

1. The instant civil law enforcement proceeding was filed in this Court on November 15, 2007 alleging that the Defendants violated the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101 *et seq.*, by engaging in unfair or deceptive acts or practices and misrepresentations in connection with the Defendants' offering and providing of credit repair services in Tennessee. The State further alleged that the Defendants violated the Tennessee Credit Services Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.*, by offering and engaging in credit services to Tennessee consumers without first registering the statutorily mandated bond fully consistent with the provisions of Tenn. Code Ann. § 47-18-1011.

2. The State filed its Complaint on November 15, 2007 and Defendant Anthony Thomas, on behalf of himself individually and as the registered agent for Defendant ExpyFi, LLC, Defendant CreditMax Financial, LLC, and Defendant Credit Phd., Inc., was personally served by investigator Charlie Shinn on November 15, 2007. Copies of the Summonses are attached as Collective Exhibit A. Defendants Anthony Thomas, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc. (collectively "Defendants") have all failed to file a response or otherwise plead to the State of Tennessee's Complaint.

3. On November 21, 2007, after a hearing on the State's motion at which Defendant Thomas appeared, this Court entered an Order Granting Statutory Temporary Injunction prohibiting all of the Defendants from soliciting, offering, and engaging in credit services businesses without first registering the statutorily required bond. The Court also ordered the Defendants to turn over financial accounting statements and consumer records to the State within five (5) days of the entry of the Order on November 21, 2007.

4. On December 13, 2007, after Defendants were still offering their credit services business without first registering the statutorily required bond and the Defendants failed to turn over the financial and consumer records, the State filed a Motion to Enforce Order Granting Statutory Temporary Injunction Against Defendants. The State agreed to continue this motion for a few months while attempting to resolve this matter with Defendants; however, Defendants ceased responding to the State's attempts to communicate. Defendants also failed to respond to the State's Motion or appear at the scheduled hearing time. On April 7, 2008, this Court held the Defendants in civil contempt and ordered that Defendants pay a civil penalty of \$4,500.00 and \$900.00 in attorneys' fees associated with the State's civil contempt motion.

5. None of the Defendants have filed an answer to the State's Complaint or otherwise insisted upon a jury trial or any of the derivative rights of a jury trial afforded to them under either the Constitutions of the United States or the State of Tennessee. Pursuant to Tenn. R. Civ. P. 38.05, the Defendants have waived the right to a trial by jury by not asserting this right within fifteen days of the last pleading raising an issue of fact. *See also Town of Nolensville v. King*, 151 S.W.3d 427, 432 (Tenn. 2004) (applying Tenn. R. Crim. P. 5(c)).

6. To the State's knowledge, Defendant Anthony Thomas is not in military service and is not an infant or incompetent.

7. To the State's knowledge and belief, there are no genuine issues as to any material fact in this case.

8. The State seeks a permanent injunction against the Defendants, the details of which are outlined below. A thorough synopsis of support for each factual allegation is contained in the State's Complaint and the Memorandum in Support of the State's Motion for Temporary Injunction. The State expressly incorporates these documents into this Motion for Default.

Violations of Law

The State relies on and specifically incorporates the arguments made in the State's Complaint and Memorandum in Support of the State's Temporary Injunction Motion.

Engaging in Credit Services Business Without Registering a Bond in Tennessee

Defendants have engaged in unlawful acts and practices in Tennessee by offering credit services to Tennessee consumers via signs, the telephone, the Internet, and seminars while not bonded with the State of Tennessee as statutorily required. This scheme has harmed Tennessee consumers who purchased credit services from an unbonded entity. Defendants have posted signs in at least Nashville and Memphis which offer to raise credit scores and list a telephone number. *See* Affidavit of Jeremy Harwell, attached as Exhibit A to the State's Motion for Temporary Injunction. Calling this telephone number provides consumers with a recording that lists upcoming seminars. *Id.* At these seminars, held in at least Nashville and Memphis,

Defendant Thomas has offered and sold credit repair packages for an up-front fee prior to providing services. *Id.*

Pursuant to the Tennessee Credit Services Businesses Act, in order to provide a minimum degree of protection to consumers of credit services businesses, each credit services business shall register a bond of One Hundred Thousand Dollars (\$100,000.00) with the Tennessee Department of Commerce and Insurance. Tenn. Code Ann. § 47-18-1011. The Tennessee Credit Services Businesses Act, pursuant to Tenn. Code Ann. § 47-18-1003(6), also provides that a credit services business, and its salespersons, agents and representatives, and independent contractors who sell or attempt to sell the services of a credit services business, shall be prohibited from providing, in any manner, the services of a credit services business within Tennessee without registering a bond consistent with Tenn. Code Ann. § 47-18-1011.

According to the Director of the Division of Consumer Affairs, who has custody and control over the Credit Services Businesses Registration program, none of the Defendants have registered a bond with the Tennessee Department of Commerce and Insurance. *See* Affidavit of Mary Clement, Director of the Division of Consumer Affairs of the Department of Commerce and Insurance, attached as Exhibit B to the State's Motion for Temporary Injunction.

Unfair Conduct; Violation of Tenn. Code Ann. § 47-18-104(a)

Unfairness is not defined in the Tennessee Consumer Protection Act ("TCPA"), Tenn. Code Ann. § 47-18-101 *et seq.* Consistent with their obligation under Tenn. Code Ann. § 47-18-115, courts have looked to the FTC's definition of unfairness for interpretative guidance. An unfair act or practice is one that "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by

countervailing benefits to consumers or to competition.” *Tucker v. Sierra Builders*, 180 S.W.3d 109, 116-17 (2005). Consumer injury will be deemed substantial “if a relatively small harm is inflicted on a large number of consumers or if a greater harm is inflicted on a relatively small number of consumers.” *Id.* at 117. A consumer injury “must be more than trivial or speculative” to be considered “substantial.” *Id.* “Consumers cannot reasonably avoid injury when a merchant’s sales practices unreasonably create or take advantage of an obstacle to the free exercise of consumer decision-making.” *Id.* “Practices that unreasonably interfere with consumer decision-making include (1) withholding important information from consumers, (2) overt coercion, or (3) exercising undue influence over a highly susceptible class of consumers.” *Id.* The Complaint, Motion for Temporary Injunction and this Motion for Default Judgment provide ample evidence that the Defendants engaged in acts or practices that were likely to cause substantial economic injury to consumers which were unavoidable because the Defendants withheld important information that Defendants were not registered to offer credit services in Tennessee. The State also alleged that Defendants misrepresented their services and the possible benefits of their services. There are no commercial benefits to these material omissions.

Joint and Several Liability

The State has named Mr. Anthony Thomas, individually, and three entities under his control, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc. as Defendants to this lawsuit. Defendant Thomas made representations, offers, and sales of credit services during seminars offered in Tennessee by these entities and made similar representations and offers of credit services on websites including www.expyfi.com and www.creditphd.net. The Supreme Court has stated:

[W]here two or more persons engage in a common enterprise, they are jointly liable for wrongful acts done in connection with that enterprise, at least where the enterprise is an unlawful one, in which case all are answerable for any injury done by any one of them, although the damage done was greater than was foreseen or the particular act was not contemplated or intended by them.

Huckeby v. Spangler, 521 S.W.2d 568, 574 (Tenn. 1975). All of the Defendants should therefore be held jointly and severally liable.

Restitution

The State has the authority to seek restitution on behalf of consumers for ascertainable losses pursuant to Tenn. Code Ann. § 47-18-108(b)(1). “Ascertainable loss” is defined in Tenn. Code Ann. § 47-18-2102(1) as “an identifiable deprivation, detriment or injury arising from . . . any unfair, misleading or deceptive act or practice even when the precise amount of the loss is not known. Whenever a violation of this part has occurred, an ascertainable loss shall be presumed to exist.” Consumers have suffered ascertainable losses by purchases of Defendants’ credit services after attending a credit repair seminar hosted by Defendants in Tennessee.

The State moves to hold Defendants liable for a judgment for restitution for ascertainable losses suffered by any known and unknown person as a result of the violations engaged in by Defendants, including statutory interest and payment of the costs of distributing and administering the restitution program. Defendants have represented that twenty-one (21) consumers have purchased credit services during a seminar in Nashville, Tennessee; however, the State also moves to hold Defendants liable for full restitution for any other consumers who come forward with proof of purchase of credit services by Defendants within one (1) year after entry of a Default Judgment by the Court.

If the restitution funds awarded under a Default Judgment are received by the State from Defendants, the Division of Consumer Affairs of the Tennessee Department of Commerce and Insurance shall distribute the restitution funds to the eligible consumers. If less than the full amount of restitution is received from Defendants, the State moves that the restitution funds shall be distributed at the sole discretion of the Director of the Division of Consumer Affairs. After restitution has been distributed, the Division of Consumer Affairs may file an affidavit for costs of distributing and administering restitution to be recouped from Defendants.

If any payment to a consumer is returned as undeliverable and the Division of Consumer Affairs is unable to locate the consumer or a consumer's check is not cashed within six months, the State moves that any funds due to such consumer pursuant to a Default Judgment in this matter shall be delivered by the Division of Consumer Affairs to the Treasurer of the State of Tennessee for treatment as unclaimed property as mandated by the Tennessee Uniform Disposition of Unclaimed Property Act, Tenn. Code Ann. § 66-29-101 *et seq.* These funds may be delivered to the Treasurer prior to the statutory due date of one (1) year set forth in Tenn. Code Ann. § 66-29-110, covering unclaimed property held by courts, public officers and agencies.

Civil Penalties Under the TCPA

The Tennessee Consumer Protection Act authorizes the Court to impose a civil penalty of up to \$1,000.00 for each violation of the Act. Tenn. Code Ann. § 47-18-108(b)(3). Tenn. Code Ann. § 47-18-1010 states that a violation of the Tennessee Credit Services Businesses Act constitutes a violation of the Tennessee Consumer Protection Act. Per Tenn. Code Ann. § 47-18-102, the TCPA is to be liberally construed. The Tennessee Consumer Protection Act

including its civil penalty provision is classified as a “remedial legislation.” Tenn. Code Ann. § 47-18-115. While Section 108(b)(3) of the Tennessee Consumer Protection Act authorizes the Court to impose a civil penalty of up to \$1,000.00 *for each violation* of the Act, the State has requested that the Court order civil penalties based on the number of consumers who were induced to purchase credit services from Defendants, not based on a calculation of each and every misrepresentation, unfair or deceptive act or practice engaged upon by Defendants. Therefore, the State is requesting that the Court assess civil penalties in the amount of twenty-one thousand dollars (\$21,000.00) based on the representation by Defendants that twenty-one Tennessee consumers purchased credit services from Defendants at their seminar in Nashville.

WHEREFORE, the State moves that this Court enter a Default Judgment in favor of the State for the relief sought in the Complaint:

1. That this Court adjudge and decree that Defendants have engaged in acts or practices which violate the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101 *et seq.*;
2. That this Court adjudge and decree that Defendants have engaged in acts or practices which violate the Tennessee Credit Services Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.*;
3. That this Court adjudge and decree that Defendants have failed to register the statutorily mandated bond as required by Tenn. Code Ann. § 47-18-1011 with the Tennessee Department of Commerce and Insurance before conducting business in Tennessee;

4. That this Court permanently enjoin Defendants from soliciting, providing, advertising, promoting, or conducting seminars or presentations of any type in person, via the Internet or telephone, or otherwise offering or providing, in any manner, the services of a credit services business within this state, without first registering a bond fully consistent with the provisions of Tenn. Code Ann. § 47-18-1011;

5. That this Court permanently enjoin Defendants from selling, providing, performing or representing, to any person that they can or will sell, provide, or perform any of the following services in return for payment of money or other valuable consideration: (i) improving a consumer's credit record, history, or rating; (ii) obtaining an extension of credit for a consumer; or (iii) providing advice of assistance to a consumer with regard to either (i) or (ii), without first registering a bond fully consistent with the provisions of Tenn. Code Ann. § 47-18-1011;

6. That this Court permanently enjoin Defendants from charging or receiving any money or other valuable consideration prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer, including all representations made orally or in writing. Under Tenn. Code Ann. § 47-18-1003(1), "Full and complete performance" means fulfillment of all items listed in the contract and other solicitations or communications to consumers;

7. That this Court permanently enjoin Defendants from directly or by implication making or using any untrue or misleading representations in the offer or sale of the services of a credit services business or engaging, directly or indirectly, in any act, practice, or course of business which operates or would operate as a fraud or deception upon any person in connection with the offer or sale of the services of a credit services business;

8. That this Court permanently enjoin Defendants from directly or by implication removing, assisting or advising the consumer to remove or otherwise alter adverse information from the consumer's credit record which is accurate or not obsolete.;

9. That this Court permanently enjoin Defendants from using a program or plan which uses or employs installment payments featuring payments charged directly to a credit card prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer;

10. That this Court permanently enjoin Defendants from enforcing any contract or other agreement for services signed by Tennessee consumers that were entered into during the period in which Defendants did not have a bond posted with the State fully consistent with the provisions of Tenn. Code Ann. § 47-18-1011 and that do not fully comply with all provisions of the Tennessee Credit Services Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.*;

11. That this Court permanently enjoin Defendants from directly or by implication representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship approval, status, affiliation or connection that such person does not have;

12. That this Court permanently enjoin Defendants from directly or by implication representing that goods or services are of a particular standard, quality or grade, if they are of another;

13. That this Court permanently enjoin Defendants from directly or by implication representing that a consumer transaction confers or involves rights, remedies, or obligations that it does not have or involve or which are prohibited by law;

14. That this Court permanently enjoin Defendants from directly or by implication making or using any untrue, deceptive or misleading representations in the offer or sale of any goods or services of a credit services business or engage, directly or indirectly, in any act, practice, or course of business which operates or would operate as a fraud, misrepresentation or deception upon any person in connection with the offer or sale of goods or services of a credit services business;

15. That this Court permanently enjoin Defendants from directly or by implication engaging in any unfair, deceptive or misleading acts or practices during their sales presentations;

16. That this Court permanently enjoin Defendants from directly or by implication encouraging their employees or sales forces, including but not limited to telemarketers or independent contractors, to lie, misrepresent or mislead consumers in order to secure the consumer's attendance at Defendants' seminars, webcast or sales presentations;

17. That this Court permanently enjoin Defendants from directly or by implication encouraging and/or affirmatively instructing their employees or sales force, including but not limited to telemarketers and independent contractors, to falsify or misrepresent earnings, or otherwise provide other incorrect information in order to assist a consumer in improving his or her credit ratings and scores;

18. That this Court permanently enjoin Defendants from directly or by implication using or utilizing any testimonials of persons to promote their goods or services or businesses unless the persons actually achieved the results by using Defendants' goods or services, the results are typical of most consumers, and that neither Defendants nor any other person has paid

any compensation for the testimonial and Defendants fully comply with all Federal Trade Commission guidelines, rules or regulations relating to testimonials;

19. That this Court order Defendants to affirmatively, clearly and conspicuously disclose to a consumer if a good or service Defendants are offering for a fee can be obtained free of charge either by the consumer's own actions or by the assistance of any governmental entity;

20. That this Court permanently enjoin Defendants from directly or by implication representing that consumers will receive goods or services that they will not receive;

21. That this Court permanently enjoin Defendants from directly or by implication representing that consumers' credit ratings and/or scores will be repaired, restored, or otherwise improved by using Defendants' goods or services or business offerings, when such is not the case;

22. That this Court permanently enjoin Defendants from directly or by implication, in the operation of a credit services business or any other business entity, create, assist or advise a consumer to create a new credit record by using a different name, address, social security number or employee identification number;

23. That this Court permanently enjoin Defendants from directly or by implication in the operation of a credit services business or any other business entity, remove, assist or advise a consumer to remove or otherwise alter adverse information from the consumer's credit record which is accurate and not obsolete;

24. That this Court permanently enjoin Defendants from directly or by implication, in the operation of a credit services business or any other business entity, create, assist, or advise the

consumer to request that positive information be inserted or included on the consumer's credit record which is false, inaccurate or obsolete;

25. That this Court permanently enjoin Defendants from selling, transferring or otherwise disseminating any information relating to the consumers' names, addresses, telephone numbers or any other personally identifiable information of any consumer whose purchases of Defendants' goods or services, contracts or agreements were the subject matter of this litigation to any person or entity;

26. That this Court permanently enjoin Defendants from directly or by implication in the operation of a credit services business or any other business entity using or employing a chain referral sales plan in connection with the sale or offer to sell of goods, merchandise, or anything of value, which uses the sales technique, plan, arrangement or agreement in which the buyer or prospective buyer is offered the opportunity to purchase goods or services and, in connection with the purchase, receives the seller's promise or representation that the buyer shall have the right to receive compensation or consideration in any form for furnishing to the seller the names of other prospective buyers if the receipt of compensation or consideration is contingent upon the occurrence of an event subsequent to the time the buyer purchases the merchandise or goods;

27. That this Court permanently enjoin Defendants from advising or counseling consumers for a valuable consideration as to any secular laws without being first duly licensed to practice law in the State of Tennessee;

28. That this Court adjudge and decree that Defendants Anthony Thomas, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc. are jointly and severally liable to pay civil penalties of not more than one thousand dollars (\$1,000.00) per violation to the State of

Tennessee as provided by Tenn. Code Ann. § 47-18-108(b)(3) for a total of twenty-one thousand dollars (\$21,000.00);

29. That this Court adjudge and decree that Defendants Anthony Thomas, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc. are jointly and severally liable to and shall pay the State for the reasonable costs and expenses of the investigation and prosecution regarding the Defendants' conduct in this matter, including attorneys' fees and costs, as provided by Tenn. Code Ann. § 47-18-108(b)(4) for a total of fifteen thousand one hundred eight dollars and fifty-three cents (\$15,108.53), as supported by the Affidavit of Jennifer E. Peacock, Affidavit of Cynthia Kinser Mills, Affidavit of Jeffrey L. Hill, Affidavit of William A. Tillner, Affidavit of Jeremy Harwell, and Affidavit of Charlie Shinn, attached as Collective Exhibit B;

30. That pursuant to Tenn. Code Ann. § 47-18-108(b)(1), this Court adjudge and decree that Defendants Anthony Thomas, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc. are jointly and severally liable for a judgment for restitution for ascertainable losses suffered by any known and unknown person as a result of the violations engaged in by Defendants Anthony Thomas, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc., including statutory interest and payment of the costs of distributing and administering the restitution program. Specifically, Defendants are jointly and severally liable for a judgment for restitution for all consumers that Defendants represented attended a seminar in Nashville, Tennessee (*see* Exhibit C) for a total of nine hundred seventy-eight dollars (\$978.00) plus statutory interest from the date of the purchase and for those unknown consumers who come forward during the one (1) year period following entry of the Court's Judgment by Default;

31. That this Court adjudge and decree that if the restitution funds awarded under a Default Judgment are received from Defendants, the Division of Consumer Affairs of the Tennessee Department of Commerce and Insurance shall distribute the restitution funds to the eligible consumers;

32. That this Court adjudge and decree that if less than the full amount of restitution is received from Defendants, the restitution funds shall be distributed at the sole discretion of the Director of the Division of Consumer Affairs and that after restitution has been distributed, the Division of Consumer Affairs may file an affidavit for costs of distributing and administering restitution to be recouped from Defendants;

33. That this Court adjudge and decree that if any payment to a consumer is returned as undeliverable and the Division of Consumer Affairs is unable to locate the consumer or a consumer's check is not cashed within six months, the funds due to such consumer pursuant to a Default Judgment in this matter shall be delivered by the Division of Consumer Affairs to the Treasurer of the State of Tennessee for treatment as unclaimed property as mandated by the Tennessee Uniform Disposition of Unclaimed Property Act, Tenn. Code Ann. § 66-29-101 *et seq.* These funds may be delivered to the Treasurer prior to the statutory due date of one (1) year set forth in Tenn. Code Ann. § 66-29-110, covering unclaimed property held by courts, public officers and agencies;

34. That this Court adjudge and decree that execution and/or garnishment may immediately issue for this Judgment by Default and that any amounts due and payable may be collected by execution, garnishment or other legal process, together with interest pursuant to Tenn. Code Ann. § 47-14-121 from the date of entry of this Judgment. Further, the State may

obtain additional attorneys' fees and any and all costs associated with collection efforts, including but not limited to court costs, court reporting costs, and travel costs associated with any such collection efforts;

35. That this Court adjudge and decree that the State has the right to seek Defendants' testimony under oath for the purposes of determining Defendants' financial status and to locate any assets available to the State for execution and seizure to fulfill the Defendants' monetary obligations under this Judgment by Default;

36. That this Court adjudge and decree that nothing in the Judgment by Default shall be construed to affect any private right of action that a consumer may hold against Defendants;

37. That this Court adjudge and decree that the State of Tennessee has the right to test shop Defendants for the purpose of confirming compliance with the Judgment by Default and state law. These test shoppers are not required to disclose that they are representatives of the State of Tennessee when making contact with Defendants. Further, the State of Tennessee may record any or all aspects of their solicitations or visit(s) with Defendants in audio and/or video form without notice to Defendants. Any such sales shall be void upon notification that it was test shopping conducted by the State;

38. That this Court adjudge and decree that, pursuant to Tenn. Code Ann. § 47-18-108(c), any knowing violation of the terms of the Judgment by Default shall be punishable by civil penalties of not more than Two Thousand Dollars (\$2,000.00) for each violation, in addition to any other appropriate sanctions including but not limited to contempt sanctions and the imposition of attorneys' fees and civil penalties;

39. That this Court adjudge and decree that upon entry of the Judgment by Default, any subsequent failure to comply with the terms hereof is a prima facie evidence of a violation of the Tennessee Consumer Protection Act;

40. That this Court adjudge and decree that nothing in the Judgment by Default shall be construed as relieving the Defendants of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions of the Judgment by Default be deemed to be permission to engage in any acts or practices prohibited by such law, regulation, or rule;

41. That this Court adjudge and decree that the Judgment by Default may only be enforced by the Court or the parties hereto;

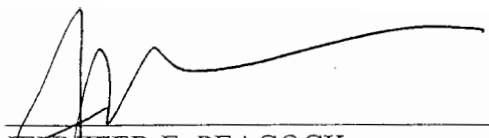
42. That all costs in this cause be jointly and severally taxed against Defendants Anthony Thomas, ExpyFi, LLC, CreditMax Financial, LLC, and Credit Phd., Inc.; and

43. That this Court grant Plaintiff such other and further relief as this Court deems just and proper.

In support of this Motion, the State relies upon the record, Affidavit of Jennifer E. Peacock, Affidavit of Cynthia Kinser Mills, Affidavit of Jeffrey L. Hill, Affidavit of William A. Tillner, Affidavit of Jeremy Harwell, Affidavit of Charlie Shinn, and the State's Complaint and attached Exhibits.

Respectfully submitted,

ROBERT E. COOPER, JR.
Attorney General & Reporter
B.P.R. No. 010934



JENNIFER E. PEACOCK
Assistant Attorney General
B.P.R. No. 022227
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Consumer Advocate and Protection Division
425 Fifth Avenue North, 2nd Floor
Nashville, TN 37243
Telephone: (615) 741-3108
Facsimile: (615) 532-2910

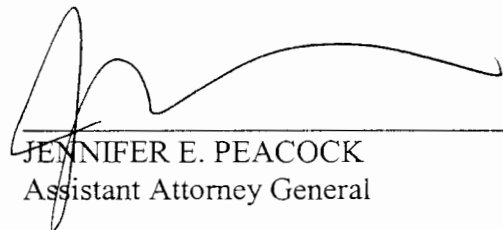
**NOTICE OF HEARING ON MOTION FOR COURT TO ORDER DEFAULT
JUDGMENT AGAINST DEFENDANTS**

A hearing on the State's Motion for Default Judgment against all Defendants will be held on **Friday, May 9, 2008 at 9:00 a.m. CDT** before Judge Barbara N. Haynes, Third Circuit Court, Davidson County Courthouse, 1 Public Square, Nashville, Tennessee 37201. Failure to appear or respond to this motion as required by the local rules may result in this motion being granted.

118250

CERTIFICATE OF SERVICE

I, Jennifer E. Peacock, do hereby certify that the foregoing document was served on Defendants via email to tonyt777777@yahoo.com and U.S. mail to Anthony Thomas, P.O. Box 451347, Atlanta, Georgia 31145 on April 23, 2008.



JENNIFER E. PEACOCK
Assistant Attorney General

CIRCUIT COURT SUMMONS

NASHVILLE, TENNESSEE

FILED
 2007 NOV 15 PM 2:29
 STATE OF TENNESSEE
 DAVIDSON COUNTY
 20TH JUDICIAL DISTRICT

2007 APR 23

☒ First
☐ Alias
☐ Pluries

RICHARD R. ROOKER, CLERK

State of Tennessee *R. Thomas*
 D.C.

CIVIL ACTION
 DOCKET NO.

07C3365

Plaintiff

Vs.

Anthony "Tony" Irving Thomas aka
 Anthony J. Thompson
 3560 Imperial Hill Drive
 Snellville, GA 30039

Defendant

Method of Service:

- ☐ Davidson County Sheriff
☐ Out of County Sheriff
☐ Secretary of State
☐ Certified Mail
☒ Personal Service
☐ Commissioner of Insurance

To the above named Defendant:

You are summoned to appear and defend a civil action filed against you in the Circuit Court, 1 Public Square, Room 302, P.O. Box 196303, Nashville, TN 37219-6303, and your defense must be made within thirty (30) days from the date this summons is served upon you. You are further directed to file your defense with the Clerk of the Court and send a copy to the Plaintiff's attorney at the address listed below.

In case of your failure to defend this action by the above date, judgment by default will be rendered against you for the relief demanded in the complaint.

ISSUED:

11/15/07

RICHARD R. ROOKER

Circuit Court Clerk
 Davidson County, Tennessee

By:

R. Thomas
 Deputy Clerk

ATTORNEY FOR PLAINTIFF

or

PLAINTIFF'S ADDRESS

Jennifer E Peacock

425 5th Ave N, Nashville, TN 37243

Address

TO THE SHERIFF:

Please execute this summons and make your return hereon as provided by law.

RICHARD R. ROOKER

Circuit Court Clerk

Received this summons for service this _____ day of _____, 20____

SHERIFF



If you have a disability and require assistance, please contact 862-5204.

CIRCUIT COURT SUMMONS

NASHVILLE, TENNESSEE

FILED

2007 NOV 15 PM 3:26
STATE OF TENNESSEE
DAVIDSON COUNTY
20TH JUDICIAL DISTRICT
☒ First
☐ Alias
☐ Pluries
State of Tennessee
Richard R. Rooker D.C.CIVIL ACTION
DOCKET NO. 07C3365

Plaintiff

Vs.

Expyfi, LLC
P.O. Box 390591
Snellville, GA. 30039

Defendant

Method of Service:

☐ Davidson County Sheriff
☐ Out of County Sheriff
☐ Secretary of State
☐ Certified Mail
☒ Personal Service
☐ Commissioner of Insurance

DI

To the above named Defendant:

You are summoned to appear and defend a civil action filed against you in the Circuit Court, 1 Public Square, Room 302, P.O. Box 196303, Nashville, TN 37219-6303, and your defense must be made within thirty (30) days from the date this summons is served upon you. You are further directed to file your defense with the Clerk of the Court and send a copy to the Plaintiff's attorney at the address listed below.

In case of your failure to defend this action by the above date, judgment by default will be rendered against you for the relief demanded in the complaint.

ISSUED: 11/15/07

RICHARD R. ROOKER
Circuit Court Clerk
Davidson County, Tennessee

By: LR Thomas

Deputy Clerk

ATTORNEY FOR PLAINTIFF

or

PLAINTIFF'S ADDRESS

Jennifer E. Peacock, AAG
425 5th Avenue N., Nashville, TN. 37243
Address

TO THE SHERIFF:

Please execute this summons and make your return hereon as provided by law.

RICHARD R. ROOKER
Circuit Court Clerk

Received this summons for service this _____ day of _____, 20____.

SHERIFF



If you have a disability and require assistance, please contact 362-5204.

CIRCUIT COURT SUMMONS

NASHVILLE, TENNESSEE

FILED
2007 NOV 15 PM 2:27
RICHARD R. ROOKER, CLERK
R Thomas
D.C.

STATE OF TENNESSEE
DAVIDSON COUNTY
20TH JUDICIAL DISTRICT

☒ First
☐ Alias
☐ Pluries

State of Tennessee

CIVIL ACTION
DOCKET NO. 07C3365

Plaintiff

Vs.

CreditMax Financial, LLC
3570 Habersham at Northlake
Tucker, GA 30084

Defendant

Method of Service:

- ☐ Davidson County Sheriff
☐ Out of County Sheriff
☐ Secretary of State
☐ Certified Mail
☒ Personal Service
☐ Commissioner of Insurance

D2

To the above named Defendant:

You are summoned to appear and defend a civil action filed against you in the Circuit Court, 1 Public Square, Room 302, P.O. Box 196303, Nashville, TN 37219-6303, and your defense must be made within thirty (30) days from the date this summons is served upon you. You are further directed to file your defense with the Clerk of the Court and send a copy to the Plaintiff's attorney at the address listed below.

In case of your failure to defend this action by the above date, judgment by default will be rendered against you for the relief demanded in the complaint.

ISSUED: 11/15/07

RICHARD R. ROOKER
Circuit Court Clerk
Davidson County, Tennessee

By: R Thomas
Deputy Clerk

ATTORNEY FOR PLAINTIFF

or

PLAINTIFF'S ADDRESS

Jennifer E. Peacock, AAG

425 5th Avenue N, Nashville, TN 37243
Address

TO THE SHERIFF:

Please execute this summons and make your return hereon as provided by law.

RICHARD R. ROOKER
Circuit Court Clerk

Received this summons for service this _____ day of _____, 20____.

SHERIFF



If you have a disability and require assistance, please contact 362-5204.

CIRCUIT COURT SUMMONS

NASHVILLE, TENNESSEE

2007 NOV 15 PM 2:28

RICHARD R. ROOKER, CLERK

STATE OF TENNESSEE
DAVIDSON COUNTY
D.C. 20TH JUDICIAL DISTRICT☒ First
☐ Alias
☐ Pluries

State of Tennessee

CIVIL ACTION
DOCKET NO. 07C3365

Plaintiff

Vs.

Credit PHD, Inc
3560 Imperial Hill Drive
Snellville, GA 30039

Defendant

Method of Service:

- ☐
- Davidson County Sheriff
-
- ☐
- Out of County Sheriff
-
- ☐
- Secretary of State
-
- ☐
- Certified Mail
-
- ☒
- Personal Service
-
- ☐
- Commissioner of Insurance

To the above named Defendant:

You are summoned to appear and defend a civil action filed against you in the Circuit Court, 1 Public Square, Room 302, P.O. Box 196303, Nashville, TN 37219-6303, and your defense must be made within thirty (30) days from the date this summons is served upon you. You are further directed to file your defense with the Clerk of the Court and send a copy to the Plaintiff's attorney at the address listed below.

In case of your failure to defend this action by the above date, judgment by default will be rendered against you for the relief demanded in the complaint.

ISSUED:

11/15/07

RICHARD R. ROOKER

Circuit Court Clerk
Davidson County, Tennessee

By:

R Thomas
Deputy Clerk

ATTORNEY FOR PLAINTIFF

or

PLAINTIFF'S ADDRESS

Jennifer E. Peacock, AAG

425 5th Avenue N, Nashville, TN 37243

Address

TO THE SHERIFF:

Please execute this summons and make your return hereon as provided by law.

RICHARD R. ROOKER

Circuit Court Clerk

Received this summons for service this _____ day of _____ 20____

SHERIFF



If you have a disability and require assistance, please contact 362-5204.

IN THE CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

FILED
2008 APR 23 AM 11:18

STATE OF TENNESSEE, ex rel. ROBERT
E. COOPER, JR., Attorney General &
Reporter,

Plaintiff,

v.

EXPYFI, LLC, a Georgia limited liability
company, doing business as www.expyfi.com,
CREDITMAX FINANCIAL, LLC, a Georgia
limited liability company, CREDIT PHD., INC.,
A Georgia nonprofit corporation, and
ANTHONY "TONY" IRVING THOMAS aka
ANTHONY J. THOMPSON,
individually and doing business as
EXPYFI, LLC, CREDITMAX FINANCIAL,
LLC, CREDIT PHD., INC., and
www.expyfi.com,

Defendants.

No. 07C3365

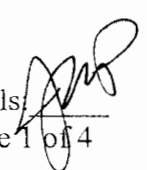
Division III - Haynes

**AFFIDAVIT OF JENNIFER E. PEACOCK, ASSISTANT ATTORNEY
GENERAL, FILED IN SUPPORT OF STATE'S REQUEST FOR
ATTORNEY FEES**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

I, Jennifer E. Peacock, after first being duly sworn according to law, depose and say:

Initials: 

Page 1 of 4

1. I have personal knowledge of the facts contained herein and swear that this statement is true and accurate to the best of my knowledge.

2. I am employed as an Assistant Attorney General with the Consumer Advocate and Protection Division of the Office of the Attorney General for the State of Tennessee. I graduated from the University of Kentucky College of Law in May 2002 and have been employed by the Office of the Attorney General since December 2002.

3. As part of my duties, I investigate and prepare complaints and other filings for the Tennessee courts regarding individuals and companies that engage in unfair or deceptive acts or practices, in violation of the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-101 *et seq.*

4. The State filed its Complaint on November 15, 2007. The Complaint and Summons was personally served on Defendant Anthony Thomas, on behalf of himself individually and as the registered agent for Defendant ExpyFi, LLC, Defendant CreditMax Financial, LLC, and Defendant Credit Phd., Inc., by Charlie Shinn, an Investigator with the Investigative Services Unit, Tennessee Attorney General's Office, on November 15, 2007.

5. I am lead counsel in this case for the State.

6. Aside from the civil contempt motion in which attorneys' fees were separately awarded, I have spent, based on a very conservative estimate, a total of forty (40) hours associated with the investigation and prosecution of this civil law enforcement action. Specifically, I spent at least forty (4) hours reviewing documents, reviewing Defendants' website, drafting the Memorandum

Initials: 

Page 2 of 4

in Support of the State's Temporary Injunction Motion, drafting the State's Temporary Injunction Motion, drafting the State's Complaint, drafting the State's Proposed Order, drafting the Motion for Default and proposed Default Judgment. I have claimed a conservative amount of time for the actual services rendered in the described categories of work. This estimate is based on a reconstruction of the time spent on this matter.

7. In preparing this fee affidavit, I have attempted to use billing judgment in making a reasonable claim of time for services rendered.

8. I request that the Office of the Attorney General be awarded a reasonable hourly rate of \$225.00 per hour for my services pertaining to this case. I believe that \$225.00 an hour is a reasonable rate in light of prevailing market rates for attorneys of similar experience, qualifications and skills. This rate is the billing rate that has been approved by the Attorney General and Reporter's Office for the State of Tennessee for my services as an Assistant Attorney General in the Consumer Advocate & Protection Division. The total for forty (40) hours of my work described herein at \$225.00 per hour is nine thousand dollars (\$9,000.00).

9. There are specific additional costs which the State respectfully requests. The State has paid for the mailing of three (3) certified return receipt request letters and one regular mailed letter to the Defendants for a total of twenty-seven dollars and fifty-eight cents (\$27.58). The State also has paid for a court reporter to prepare a transcript of the temporary injunction hearing on November 21, 2007 which cost one hundred fifty-six dollars (\$156.00).

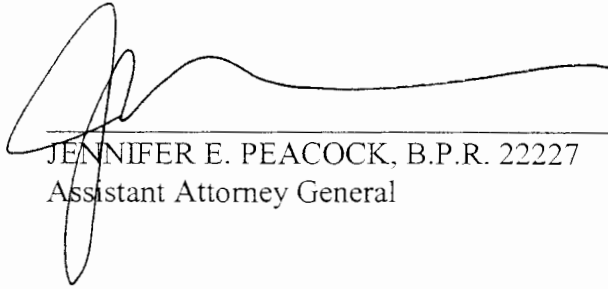
10. Based on the foregoing, the State of Tennessee is seeking reimbursement of nine thousand one hundred eighty-three dollars and fifty-three cents (\$9,183.53) for attorney's fees for

Initials

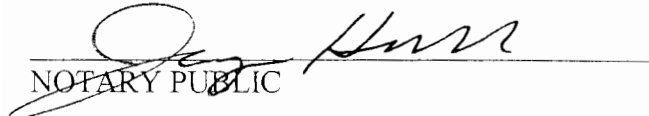
Page 3 of 4

my services and costs. Additional recovery for the time and expenses associated with others' work is being sought by the State's Motion.

FURTHER THE AFFLIANT SAITH NOT.


JENNIFER E. PEACOCK, B.P.R. 22227
Assistant Attorney General

Sworn to and subscribed before me this the 14 day of April, 2008.


NOTARY PUBLIC

My commission expires: 8/23/2011.



IN THE THIRD CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE, ex rel. ROBERT)
E. COOPER, JR., Attorney General &)
Reporter,)

Plaintiff,)

v.)

No. 07C3365

EXPYFI, LLC, a Georgia limited liability)
company, doing business as www.expyfi.com,)
CREDITMAX FINANCIAL, LLC, a Georgia)
limited liability company, CREDIT PHD., INC.,)
A Georgia nonprofit corporation, and)
ANTHONY "TONY" IRVING THOMAS aka)
ANTHONY J. THOMPSON,)
individually and doing business as)
EXPYFI, LLC, CREDITMAX FINANCIAL,)
LLC, CREDIT PHD., INC., and)
www.expyfi.com,)

Judge Barbara N. Haynes

Defendants.)

AFFIDAVIT OF CYNTHIA E. KINSER (MILLS),
DEPUTY ATTORNEY GENERAL, FILED IN SUPPORT OF
STATE'S REQUEST FOR ATTORNEY FEES

STATE OF TENNESSEE

COUNTY OF DAVIDSON

I, Cynthia E. Kinser (Mills), after first being duly sworn according to law, depose and say:

Initials: CERUM
Page 1 of 3

1. I have personal knowledge of the facts contained herein and swear that this statement is true and accurate to the best of my knowledge.

2. I am currently employed as a Deputy Attorney General for the State of Tennessee and work in the Consumer Advocate and Protection Division for the Office of the Attorney General. I have been employed with the Office of the Attorney General since March 1, 1990. Prior to joining the Attorney General's Office, I served as a judicial clerk to Judge Steve Daniel. I obtained a license to practice law in Tennessee on April 19, 1990. I attended Vanderbilt University undergraduate and was awarded a Bachelor of Science, *cum laude* in August of 1985. I received my Juris Doctorate, *cum laude* from Stetson University in July of 1988.

3. As part of my duties, I investigate and prepare complaints and other filings for the Tennessee courts regarding individuals and companies that engage in unfair or deceptive acts or practices, in violation of the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-101 *et seq.* I also serve as the supervisor over the Consumer Advocate and Protection Division as a whole.

4. The State filed its Complaint on November 15, 2007. The Complaint and Summons was personally served on Defendant Anthony Thomas, on behalf of himself individually and as the registered agent for Defendant ExpyFi, LLC, Defendant CreditMax Financial, LLC, and Defendant Credit Phd., Inc., by Charlie Shinn, an Investigator with the Investigative Services Unit, Tennessee Attorney General's Office, on November 15, 2007.

5. I assisted in the investigation and prosecution of the above referenced case.

6. At minimum, I spent three (3) hours assisting with the drafting of the complaint and the investigation in general. I have claimed a conservative amount of time for the actual services

Initials CEM
Page 2 of 3

rendered in the described categories of work. I have spent additional time on this matter but have not included those hours because they involved my oversight as a supervisor. This estimate is based on a reconstruction of the time spent on this matter.

7. In preparing this fee affidavit, I have attempted to use billing judgment in making a reasonable claim of time for services rendered.

8. I request that the Office of the Attorney General be awarded a reasonable hourly rate of \$300.00 per hour for my services pertaining to this case. I believe that \$300.00 an hour is a reasonable rate in light of prevailing market rates for attorneys of similar experience, qualifications and skills. This rate is the billing rate that has been approved by the Attorney General and Reporter's Office for the State of Tennessee for my services as an Assistant Attorney General in the Consumer Advocate & Protection Division. The total for three (3) hours of my work described herein at \$300.00 per hour is \$900.00.

9. Based on the foregoing, the State of Tennessee is seeking reimbursement of \$900.00 for attorney's fees for my services. Additional recovery for the time and expenses associated with others' work is being sought by the State's Motion.

FURTHER THE AFFIANT SAITH NOT.


CYNTHIA E. KINSER (MILLS), B.P.R. 13533
Deputy Attorney General

Sworn to and subscribed before me this the 14 day of April, 2008.


NOTARY PUBLIC

My commission expires: 8/23/2011.

Initials CPM
Page 3 of 3



My Commission Expires AUG. 23, 2011

**IN THE THIRD CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE**

STATE OF TENNESSEE, ex rel. ROBERT)
E. COOPER, JR., Attorney General &)
Reporter,)

Plaintiff,)

v.)

No. 07C3365

EXPYFI, LLC, a Georgia limited liability)
company, doing business as www.expyfi.com,)
CREDITMAX FINANCIAL, LLC, a Georgia)
limited liability company, CREDIT PHD., INC.,)
A Georgia nonprofit corporation, and)
ANTHONY "TONY" IRVING THOMAS aka)
ANTHONY J. THOMPSON,)
individually and doing business as)
EXPYFI, LLC, CREDITMAX FINANCIAL,)
LLC, CREDIT PHD., INC., and)
www.expyfi.com,)

Judge Barbara N. Haynes

Defendants.)

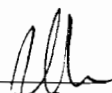
**AFFIDAVIT OF JEFFREY L. HILL, SENIOR COUNSEL, FILED IN
SUPPORT OF STATE'S REQUEST FOR ATTORNEY FEES**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

I, Jeffrey L. Hill, after first being duly sworn according to law, depose and say:

1. I have personal knowledge of the facts contained herein and swear that this statement

Initials 
Page 1 of 3

is true and accurate to the best of my knowledge.

2. I am employed as Senior Counsel with the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General. I graduated from the University of Tennessee College of Law in 1994 and have been employed by the Office of the Tennessee Attorney General since November 1994.

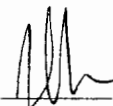
3. As part of my duties, I investigate and prepare complaints and other filings for the Tennessee courts regarding individuals and companies that engage in unfair or deceptive acts or practices, in violation of the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-101 *et seq.*

4. The State filed its Complaint on November 15, 2007. The Complaint and Summons was personally served on Defendant Anthony Thomas, on behalf of himself individually and as the registered agent for Defendant ExpyFi, LLC, Defendant CreditMax Financial, LLC, and Defendant Credit Phd., Inc., by Charlie Shinn, an Investigator with the Investigative Services Unit, Tennessee Attorney General's Office, on November 15, 2007.

5. I was involved in the investigation and litigation of the above referenced case.

6. At minimum, I spent eight (8) hours working on this case by gathering information and drafting documentation. I have claimed a conservative amount of time for the actual services rendered in the described categories of work. This estimate is based on a reconstruction of the time spent on this matter.

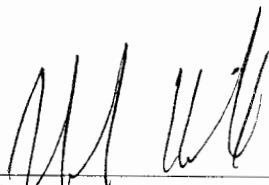
7. In preparing this fee affidavit, I have attempted to use billing judgment in making a reasonable claim of time for services rendered.

Initials 
Page 2 of 3

8. I request that the Office of the Attorney General be awarded a reasonable hourly rate of \$250.00 per hour for my services pertaining to this case. I believe that \$250.00 an hour is a reasonable rate in light of prevailing market rates for attorneys of similar experience, qualifications and skills. This rate is the billing rate that has been approved by the Attorney General and Reporter's Office for the State of Tennessee for my services as an Assistant Attorney General in the Consumer Advocate & Protection Division. The total for eight (8) hours of my work described herein at \$250.00 per hour is \$2000.00.

9. Based on the foregoing, the State of Tennessee is seeking reimbursement of \$2000.00 for attorney's fees for my services. Additional recovery for the time and expenses associated with others' work is being sought by the State's Motion.

FURTHER THE AFFIANT SAITH NOT.



JEFFREY L. HILL, B.P.R. 16731
Senior Counsel

Sworn to and subscribed before me this the 14 day of April, 2008.



NOTARY PUBLIC

My commission expires: 8/23/2011.



My Commission Expires AUG. 23, 2011

Initials _____

IN THE CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE, ex rel. ROBERT)
E. COOPER, JR., Attorney General &)
Reporter,)

Plaintiff,)

v.)

No. 07C3365

EXPYFI, LLC, a Georgia limited liability)
company, doing business as www.expyfi.com,)
CREDITMAX FINANCIAL, LLC, a Georgia)
limited liability company, CREDIT PHD., INC.,)
A Georgia nonprofit corporation, and)
ANTHONY "TONY" IRVING THOMAS aka)
ANTHONY J. THOMPSON,)
individually and doing business as)
EXPYFI, LLC, CREDITMAX FINANCIAL,)
LLC, CREDIT PHD., INC., and)
www.expyfi.com,)

Division III - Haynes

Defendants.)

AFFIDAVIT OF WILLIAM A. TILLNER

STATE OF TENNESSEE)
COUNTY OF SHELBY)

I, William A. Tillner, having been duly sworn, deposes as follows:

1. I am an adult citizen of Tennessee and am competent to testify to the matters
stated herein.

2. I make this affidavit on personal knowledge and understand that it may be used in legal proceedings pursuant to the Tennessee Consumer Protection Act or other appropriate law.

3. I swear that the facts contained herein are true and accurate to the best of my knowledge.

4. I am employed as an Assistant Attorney General with the Office of the Attorney General for the State of Tennessee. I graduated from the University of Memphis School of Law and have been employed by the Office of the Attorney General since August, 2002.

5. Among my duties and responsibilities as an Assistant Attorney General I often assist the various Office divisions with surveillance and investigations.

6. The State filed its Complaint on November 15, 2007. The Complaint and Summons were personally served on Defendant Anthony Thomas, on behalf of himself individually and as the registered agent for Defendant ExpyFi, LLC, Defendant CreditMax Financial, LLC, and Defendant Credit Phd., Inc., by Charlie Shinn, an Investigator with the Investigative Services Unit, Tennessee Attorney General's Office, on November 15, 2007.

7. I was involved in the investigation of the above-referenced case.

8. At minimum, I spent seven (7) hours working on this case by gathering information and drafting documentation. I have claimed a conservative amount of time for the actual services rendered in the described categories of work. This estimate is based on a reconstruction of the time spent on this matter.

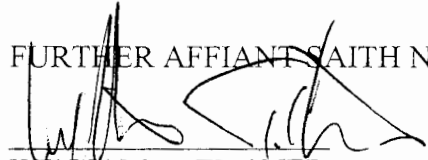
9. In preparing this fee affidavit, I have attempted to use billing judgment in making

a reasonable claim of time for services rendered.

10. I request that the Office of the Attorney General be awarded a reasonable hourly rate of \$150.00 per hour for my services pertaining to this case. I believe that \$150.00 an hour is a reasonable rate in light of prevailing market rates for attorneys of similar experience, qualifications and skills. This rate is the billing rate that has been approved by the Attorney General and Reporter's Office for the State of Tennessee for my services as an Assistant Attorney General in the Consumer Advocate & Protection Division. The total for seven(7) hours of my work described herein at \$175.00 per hour is \$1225.00.

11. Based on the foregoing, the State of Tennessee is seeking reimbursement of \$1225.00 for attorney's fees for my services. Additional recovery for the time and expenses associated with others' work is being sought by the State's Motion.

FURTHER AFFIANT SAITH NOT.



WILLIAM A. TILLNER
Assistant Attorney General
Office of the Tennessee Attorney General

William Tillner appeared before me on this the 10th day of April, 2008, and affixed the above signature. By so affixing his signature, Mr. Tillner swore that the above facts stated in this document are true and accurate.


NOTARY PUBLIC

My Commission Expires:

My Commission Expires Dec. 13, 2008



IN THE THIRD CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE, ex rel. ROBERT)
E. COOPER, JR., Attorney General &)
Reporter,)

Plaintiff,)

v.)

No. 07C3365

EXPYFI, LLC, a Georgia limited liability)
company, doing business as www.expyfi.com,)
CREDITMAX FINANCIAL, LLC, a Georgia)
limited liability company, CREDIT PHD., INC.,)
A Georgia nonprofit corporation, and)
ANTHONY "TONY" IRVING THOMAS aka)
ANTHONY J. THOMPSON,)
individually and doing business as)
EXPYFI, LLC, CREDITMAX FINANCIAL,)
LLC, CREDIT PHD., INC., and)
www.expyfi.com,)

Judge Barbara N. Haynes

Defendants.)

AFFIDAVIT OF JEREMY HARWELL

STATE OF TENNESSEE

COUNTY OF DAVIDSON

I, Jeremy Harwell, after first being duly sworn according to law, depose and say:

1. I am an adult resident of Tennessee and am competent to testify to the matters stated herein.

2. I make this affidavit on personal knowledge and understand that it may be used in

JA Initials - Page 1 of 4

legal proceedings.

3. I swear that the facts contained herein are true and accurate to the best of my knowledge.

4. I am employed as a paralegal with the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General. I have been employed in this capacity since August 2007.

5. I have been assisting in the investigation and prosecution of *State of Tennessee v. ExpyFi, LLC, et al.*

6. At minimum, I have spent twenty (20) hours investigating, reviewing consumer complaints, reviewing documents, compiling data, speaking with consumers, preparing correspondence related to this case and assisting in the preparation of the pleadings. I have claimed a conservative amount of time for the actual services rendered. This estimate is based on a reconstruction of time spent on this matter.

7. I request that the Office of the Attorney General be awarded a reasonable hourly rate of \$70.00 per hour for my services pertaining to this case. I believe that \$70.00 an hour is a reasonable rate in light of prevailing market rates for paralegals of similar experience, qualifications and skills. This billing rate has been approved by the Attorney General and Reporter for the State of Tennessee for my services as a Paralegal in the Consumer Advocate and Protection Division.


8. The total for twenty (20) hours of my work described herein at \$70.00 per hour is \$1400.00.

9. In preparing this fee affidavit, I have attempted to use billing judgment in making a reasonable and conservative claim of time for services rendered.

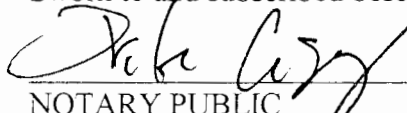
JH Initials - Page 2 of 4

10. Based on the foregoing, the State of Tennessee is seeking reimbursement for paralegal fees for my services in the amount of \$1400.00 for my services pertaining to the investigation and prosecution of the above case.

FURTHER THE AFFIANT SAITH NOT.


JEREMY HARWELL
Paralegal

Sworn to and subscribed before me this the 10 day of April, 2008.


NOTARY PUBLIC

My commission expires: 3/10/2012.



Commission Expires MAR. 10, 2012

IN THE THIRD CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE
TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE, ex rel. ROBERT)
E. COOPER, JR., Attorney General &)
Reporter,)

Plaintiff,)

v.)

No. 07C3365

EXPYFI, LLC, a Georgia limited liability)
company, doing business as www.expyfi.com,)
CREDITMAX FINANCIAL, LLC, a Georgia)
limited liability company, CREDIT PHD., INC.,)
A Georgia nonprofit corporation, and)
ANTHONY "TONY" IRVING THOMAS aka)
ANTHONY J. THOMPSON,)
individually and doing business as)
EXPYFI, LLC, CREDITMAX FINANCIAL,)
LLC, CREDIT PHD., INC., and)
www.expyfi.com,)

Judge Barbara N. Haynes

Defendants.)

AFFIDAVIT OF CHARLIE SHINN

STATE OF TENNESSEE

COUNTY OF DAVIDSON

I, Charlie Shinn, after first being duly sworn according to law, depose and say:

1. I am an adult resident of Tennessee and am competent to testify to the matters stated herein.

Initials: CS
Pages 1 of 3

2. I make this affidavit on personal knowledge and understand that it may be used in legal proceedings.

3. I swear that the facts contained herein are true and accurate to the best of my knowledge.

4. I am assigned to the Investigative Services Section in the Administrative Division of the Office of the Tennessee Attorney General. I have been employed in this capacity since October 2007.

5. I have been assisting in the investigation and prosecution of *State of Tennessee v. ExpyFi, LLC, et al.*

6. At minimum, I have spent five (5) hours investigating and serving process. I have claimed a conservative amount of time for the actual services rendered. This estimate is based on a reconstruction of time spent on this matter.

7. I request that the Office of the Attorney General be awarded a reasonable hourly rate of \$80.00 per hour for my services pertaining to this case. I believe that \$80.00 an hour is a reasonable rate in light of prevailing market rates for investigators of similar experience, qualifications and skills. This billing rate has been approved by the Attorney General and Reporter's Office for the State of Tennessee for my services as an Investigator in the Consumer Advocate and Protection Division.

8. The total for five (5) hours of my work described herein at \$80.00 per hour is \$400.00.

9. In preparing this fee affidavit, I have attempted to use billing judgment in making

a reasonable and conservative claim of time for services rendered.


10. Based on the foregoing, the State of Tennessee is seeking reimbursement for investigative fees for my services in the amount of \$400.00 for my services pertaining to the investigation and prosecution of the above case. Additional recovery for the time and expenses associated with others work is being sought by the State's Motion.

FURTHER THE AFFIANT SAITH NOT.



CHARLIE SHINN
Investigator

Sworn to and subscribed before me this the 14 day of April, 2008.


NOTARY PUBLIC

My commission expires: 8/23/2011.



My Commission Expires AUG. 23, 2011

State of Tennessee v. Expyfi, LLC, CreditMax Financial, LLC, Credit PhD, Inc.
and Anthony "Tony" Irving Thomas aka Anthony J. Thompson

2008 APR 23 AM 11:18

Exhibit C - Consumer Restitution List

Consumer Name	Location of Seminar	Amount Paid
S. Alexander	Nashville	\$5.00
E. Barnes	Nashville	\$69.00
B. Blackmon	Nashville	\$69.00
J. Coleman	Nashville	\$69.00
P. Eichel	Nashville	\$69.00
S. Few	Nashville	\$20.00
T. Florence	Nashville	\$20.00
G. Fordham	Nashville	\$20.00
J. Jackson	Nashville	\$69.00
A. Khayyam & T. Khayyam	Nashville	\$69.00
J. King & M. Tidwell	Nashville	\$99.00
W. Lawrence & T. Mayhew-Lawrence	Nashville	\$20.00
A. Lewis	Nashville	\$5.00
F. Love & K. Wilson	Nashville	\$69.00
V. Nelson	Nashville	\$5.00
P. Patton-Jones	Nashville	\$5.00
E. Pillow	Nashville	\$69.00
E. Smith	Nashville	\$69.00
P. Thompson	Nashville	\$69.00
T. Thompson	Nashville	\$69.00
S. Washington	Nashville	\$20.00
TOTAL		\$978.00